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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation

MINISTRY OF LAW

(Legislative Department)

New Delhi, the 14th December, 1970/Agrahayana 23, 1892 (Saka)

The following Act of Parliament received the assent of the President on the 12th December, 1970, and is hereby published for general information:—

THE TAXATION LAWS (AMENDMENT) ACT, 1970

No. 42 OF 1970

[12th December, 1970]

An Act further to amend the Income-tax Act, 1961, the Wealth-tax Act, 1957, the Gift-tax Act, 1958 and the Companies (Profits) Surtax Act, 1964.

BE it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (1) This Act may be called the Taxation Laws (Amendment) Act, 1970.

(2) Save as otherwise provided in this Act, the provisions of this Act shall come into force on the 1st day of April, 1971.

CHAPTER II

AMENDMENTS TO THE INCOME-TAX ACT, 1961

Amendment of section 2.

2. In section 2 of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act), in clause (*1*),— 43 of 1961.

(*i*) for sub-clause (*a*), the following sub-clause shall be, and shall be deemed always to have been, substituted, namely:—

"(*a*) any rent or revenue derived from land which is situated in India and is used for agricultural purposes;";

(*ii*) in sub-clause (*c*), for the proviso, the following proviso shall be, and shall be deemed always to have been, substituted, namely:—

"Provided that—

(*i*) the building is on or in the immediate vicinity of the land, and is a building which the receiver of the rent or revenue or the cultivator, or the receiver of rent-in-kind, by reason of his connection with the land, requires as a dwelling house, or as a store-house, or other out-building, and

(*ii*) the land is either assessed to land revenue in India or is subject to a local rate assessed and collected by officers of the Government as such or where the land is not so assessed to land revenue or subject to a local rate, it is not situated—

(*A*) in any area which is comprised within the jurisdiction of a municipality (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee or by any other name) or a cantonment board and which has a population of not less than ten thousand according to the last preceding census of which the relevant figures have been published before the first day of the previous year; or

(*B*) in any area within such distance, not being more than eight kilometres, from the local limits of any municipality or cantonment board referred to in item (*A*), as the Central Government may, having regard to the extent of, and scope for, urbanisation of that area and other relevant considerations, specify in this behalf by notification in the Official Gazette;".

Amendment of section 10.

3. In section 10 of the Income-tax Act,—

(*a*) in clause (*2*), before the words "any sum received", the words, brackets and figures "subject to the provisions of sub-section (*2*) of section 64," shall be inserted;

(b) for clause (5), the following clause shall be, and shall be deemed always to have been, substituted, namely:—

"(5) subject to such conditions as the Central Government may prescribe, in the case of an individual being a citizen of India,—

(i) in relation to any assessment year not being an assessment year commencing after the 1st day of April, 1970, the value of any travel concession or assistance received by or due to such individual,—

(a) from his employer for himself, his spouse and children, in connection with his proceeding on leave to his home-district in India;

(b) from his employer or former employer for himself, his spouse and children, in connection with his proceeding to his home-district in India after retirement from service or after the termination of his service;

(ii) in relation to any other assessment year the value of any travel concession or assistance received by or due to such individual,—

(a) from his employer for himself, his spouse and children, in connection with his proceeding on leave to any place in India;

(b) from his employer or former employer for himself, his spouse and children, in connection with his proceeding to any place in India after retirement from service or after the termination of his service:

Provided that the amount exempt under item (a) or item (b) of this sub-clause shall in no case exceed the value of the travel concession or assistance which would have been received by or due to the individual in connection with his proceeding to his home-district in India on leave or, as the case may be, after retirement from service or after the termination of his service;";

(c) in clause (6),—

(i) for sub-clause (i), the following sub-clause shall be, and shall be deemed always to have been, substituted, namely:—

"(i) subject to such conditions as the Central Government may prescribe, passage moneys or the value of any free or concessional passage received by or due to such individual—

(a) from his employer for himself, his spouse and children, in connection with his proceeding on home leave out of India;

(b) from his employer or former employer for himself, his spouse and children, in connection with his proceeding to his home country out of India after retirement from service in India or after the termination of such service;";

(*ii*) in sub-clause (*vii*),—

(*A*) after the words "as a technician in the employment", the brackets, words, figures and letters "(commencing from a date before the 1st day of April, 1971)" shall be inserted;

(*B*) in the *Explanation*, for the word ' "Technician" ', the words 'For the purposes of this sub-clause, "technician" ' shall be substituted;

(*iii*) after sub-clause (*vii*), the following sub-clause shall be inserted, namely:—

'(*viia*) where such individual renders services as a technician in the employment (commencing from a date after the 31st day of March, 1971) of the Government or of a local authority or of any corporation set up under any special law or of any such institution or body established in India for carrying on scientific research as is approved for the purposes of this sub-clause by the prescribed authority or in any business carried on in India and the following conditions are fulfilled, namely, that—

(*1*) the individual was not resident in India in any of the four financial years immediately preceding the financial year in which he arrived in India, and

(*2*) the contract of his service in India is approved by the Central Government, the application for such approval having been made to that Government before the commencement of such service or within six months of such commencement,

the remuneration for such services due to or received by him, which is chargeable under the head "Salaries", to the extent mentioned below, namely:—

(*A*) such remuneration due to or received by him during the period of twenty-four months commencing from the date of his arrival in India, in so far as such remuneration does not exceed an amount calculated at the rate of four thousand rupees per month, and where the tax on the excess, if any, of such remuneration for the period aforesaid over the amount so calculated is paid to the Central Government by the employer (which tax, in the case of an employer, being a company, may be paid notwithstanding anything contained in section 200 of the Companies Act, 1956), also the tax so paid by the employer; and 1 of 1956.

(*B*) where he continues, with the approval of the Central Government obtained before the 1st day of October of the relevant assessment year, to remain in employment in India after the expiry of the period of twenty-four months aforesaid and the tax on his income chargeable under the head "Salaries" is paid to the Central Government by the employer (which tax, in the case of an employer, being a company, may be paid notwith-

1 of 1956.

standing anything contained in section 200 of the Companies Act, 1956), the tax so paid by the employer for a period not exceeding twenty-four months next following the expiry of the first-mentioned twenty-four months.

Explanation.—For the purposes of this sub-clause, "technician" means a person having specialised knowledge and experience in—

(*i*) constructional or manufacturing operations, or in mining or in the generation of electricity or any other form of power, or

(*ii*) agriculture, animal husbandry, dairy farming, deep sea fishing or ship building,

who is employed in India in a capacity in which such specialised knowledge and experience are actually utilised;';

(*d*) in clause (*26*), the words "who is not in the service of Government," shall be, and shall be deemed always to have been, omitted;

(*e*) after clause (*29*), the following clause shall be, and shall be deemed to have been, inserted with effect from the 1st day of April, 1969, namely:—

'(*30*) in the case of an assessee who carries on the business of growing and manufacturing tea in India, the amount of any subsidy received from or through the Tea Board under any such scheme for replantation or replacement of tea bushes as the Central Government may, by notification in the Official Gazette, specify:

Provided that the assessee furnishes to the Income-tax Officer, along with his return of income for the assessment year concerned or within such further time as the Income-tax Officer may allow, a certificate from the Tea Board as to the amount of such subsidy paid to the assessee during the previous year.

Explanation.—In this clause, "Tea Board" means the Tea Board established under section 4 of the Tea Act, 1953.'.

29 of 1953.

Amendment of section 23.

4. In section 23 of the Income-tax Act,—

(*a*) in sub-section (*1*), for the second proviso, the following proviso shall be substituted, namely:—

"Provided further that the annual value as determined under this sub-section shall,—

(*a*) in the case of a building comprising one or more residential units, the erection of which is begun after the 1st day of April, 1961 and completed before the 1st day of April, 1970 for a period of three years from the date of completion of the building, be reduced by a sum equal to the aggregate of—

(*i*) in respect of any residential unit whose annual value as so determined does not exceed six hundred rupees, the amount of such annual value;

(*ii*) in respect of any residential unit whose annual value as so determined exceeds six hundred rupees, an amount of six hundred rupees;

(*b*) in the case of a building comprising one or more residential units, the erection of which is begun after the 1st day of April, 1961 and completed after the 31st day of March, 1970, for a period of five years from the date of completion of the building, be reduced by a sum equal to the aggregate of—

(*i*) in respect of any residential unit whose annual value as so determined does not exceed one thousand two hundred rupees, the amount of such annual value;

(*ii*) in respect of any residential unit whose annual value as so determined exceeds one thousand two hundred rupees, an amount of one thousand two hundred rupees,

so, however, that the income in respect of any residential unit referred to in clause (*a*) or clause (*b*) is in no case a loss.";

(*b*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) Where the property consists of one or more houses and such house or houses is or are in the occupation of the owner for the purposes of his own residence, the annual value of such house or where there are two such houses, the annual value of each such house or where there are more than two such houses, the annual value of two of such houses (which the assessee may, at his option, specify in this behalf) shall first be determined in the same manner as if the property had been let and further be reduced, in each case, by one-half of the amount so determined or one thousand eight hundred rupees, whichever is less:

Provided that where the sum so arrived at exceeds ten per cent. of the total income of the owner (the total income for this purpose being computed without including therein any income from such property and before making any deduction under Chapter VIA), the excess shall be disregarded.

Explanation 1.—Where any such residential unit as is referred to in the second proviso to sub-section (*1*) is in the occupation of the owner for the purposes of his own residence, nothing contained in that proviso shall apply in computing the annual value of that residential unit.

Explanation 2.—Where any such property as is referred to in this sub-section consists of more than two houses, the annual value of the houses other than those the annual value of which is required to be determined under this sub-section shall be determined under sub-section (*1*) as if such houses had been let.".

5. In section 32 of the Income-tax Act,— Amendment of section 32.

(*a*) after sub-section (*1*), the following sub-section shall be inserted, namely:—

'(*1A*) Where the business or profession is carried on in a building not owned by the assessee but in respect of which the assessee holds a lease or other right of occupancy and any capital expenditure is incurred by the assessee for the purposes of the business or profession after the 31st day of March, 1970 on the construction of any structure or doing of any work in or in relation to, and by way of renovation or extension of, or improvement to, the building, then, in respect of depreciation of such structure or work, the following deductions shall, subject to the provisions of section 34, be allowed—

(*i*) such percentage on the written down value of the structure or work as may in any case or class of cases be prescribed;

(*ii*) in the case of any such structure or work which is sold, discarded, demolished, destroyed or is surrendered as a result of the determination of the lease or other right of occupancy in respect of the building in the previous year (other than the previous year in which it is constructed or done) the amount by which the moneys payable in respect of such structure or work together with the amount of scrap value, if any, fall short of the written down value thereof:

Provided that such deficiency is actually written off in the books of the assessee.

Explanation.—For the purposes of this clause,—

(*i*) "moneys payable", in respect of any structure or work, includes—

(*a*) any insurance or compensation moneys payable in respect thereof;

(*b*) where the structure or work is sold, the price for which it is sold; and

(*ii*) "sold" shall have the meaning assigned to it in the *Explanation* to clause (*iii*) of sub-section (*1*).';

(*b*) in sub-section (*2*), after the words, brackets and figure "of sub-section (*1*)", the words, brackets, figures and letter "or under clause (*i*) of sub-section (*1A*)" shall be inserted.

6. In section 34 of the Income-tax Act,— Amendment of section 34.

(*a*) in sub-section (*1*), after the words, brackets and figure "in sub-section (*1*)", the words, brackets, figure and letter "or sub-section (*1A*)" shall be inserted;

(*b*) in sub-section (*2*),—

(*i*) in clause (*i*),—

(*A*) after the words, brackets and figure "under sub-section (*1*)", the words, brackets, figure and letter "or sub-section (*1A*)" shall be inserted;

(*B*) for the words "plant or furniture", the words "plant, furniture, structure or work" shall be substituted;

(*ii*) after clause (*ii*), the following clause shall be inserted, namely:—

"(*iii*) nothing in clause (*i*) of sub-section (*1A*) of section 32 shall be deemed to authorise the allowance for any previous year of any sum in respect of any structure or work in or in relation to a building referred to in that sub-section which is sold, discarded, demolished or destroyed or is surrendered as a result of the determination of the lease or other right of occupancy in respect of the building in that year.".

Amendment of section 35.

7. In section 35 of the Income-tax Act, in clause (*iv*) of sub-section (2), for the words, brackets and figures "sub-section (*1*) of section 32", the words, brackets, figures and letter "sub-section (*1*) or under sub-section (*1A*) of section 32" shall be substituted.

Insertion of new sections 35D and 35E.

8. After section 35C of the Income-tax Act, the following sections shall be inserted, namely:—

Amortisation of certain preliminary expenses.

'35D. (*1*) Where an assessee, being an Indian company or a person (other than a company) who is resident in India, incurs, after the 31st day of March, 1970, any expenditure specified in sub-section (*2*),—

(*i*) before the commencement of his business, or

(*ii*) after the commencement of his business, in connection with the extension of his industrial undertaking or in connection with his setting up a new industrial unit ,

the assessee shall, in accordance with and subject to the provisions of this section, be allowed a deduction of an amount equal to one-tenth of such expenditure for each of the ten successive previous years beginning with the previous year in which the business commences or, as the case may be, the previous year in which the extension of the industrial undertaking is completed or the new industrial unit commences production or operation.

(*2*) The expenditure referred to in sub-section (*1*) shall be the expenditure specified in any one or more of the following clauses, namely:—

(*a*) expenditure in connection with—

(*i*) preparation of feasibility report;

(*ii*) preparation of project report;

(*iii*) conducting market survey or any other survey necessary for the business of the assessee;

(*iv*) engineering services relating to the business of the assessee:

Provided that the work in connection with the preparation of the feasibility report or the project report or the conducting of market survey or of any other survey or the engineering services

referred to in this clause is carried out by the assessee himself or by a concern which is for the time being approved in this behalf by the Board;

(*b*) legal charges for drafting any agreement between the assessee and any other person for any purpose relating to the setting up or conduct of the business of the assessee;

(c) where the assessee is a company, also expenditure—

(*i*) by way of legal charges for drafting the Memorandum and Articles of Association of the company;

(*ii*) on printing of the Memorandum and Articles of Association;

(*iii*) by way of fees for registering the company under the provisions of the Companies Act, 1956; 1 of 1956.

(*iv*) in connection with the issue, for public subscription, of shares in or debentures of the company, being underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus;

(*d*) such other items of expenditure (not being expenditure eligible for any allowance or deduction under any other provision of this Act) as may be prescribed.

(*3*) Where the aggregate amount of the expenditure referred to in sub-section (*2*) exceeds an amount calculated at two and one-half per cent.—

(*a*) of the cost of the project, or

(*b*) where the assessee is an Indian company, at the option of the company, of the capital employed in the business of the company,

the excess shall be ignored for the purpose of computing the deduction allowable under sub-section (*1*).

Explanation.—In this sub-section—

(*a*) "cost of the project" means—

(*i*) in a case referred to in clause (*i*) of sub-section (*1*), the actual cost of the fixed assets, being land, buildings, leaseholds, plant, machinery, furniture, fittings and railway sidings (including expenditure on development of land and buildings), which are shown in the books of the assessee as on the last day of the previous year in which the business of the assessee commences;

(*ii*) in a case referred to in clause (*ii*) of sub-section (*1*), the actual cost of the fixed assets, being land, buildings, leaseholds, plant, machinery, furniture, fittings and railway sidings (including expenditure on development of land and buildings), which are shown in the books of the assessee as on the last day of the previous year in which the extension of the industrial undertaking is completed or, as the case may be, the new industrial unit commences production or operation, in so far as such fixed assets have been acquired

or developed in connection with the extension of the industrial undertaking or the setting up of the new industrial unit of the assessee;

(*b*) "capital employed in the business of the company" means—

(*i*) in a case referred to in clause (*i*) of sub-section (*1*), the aggregate of the issued share capital, debentures and long-term borrowings as on the last day of the previous year in which the business of the company commences;

(*ii*) in a case referred to in clause (*ii*) of sub-section (*1*), the aggregate of the issued share capital, debentures and long-term borrowings as on the last day of the previous year in which the extension of the industrial undertaking is completed or, as the case may be, the new industrial unit commences production or operation, in so far as such capital, debentures and long-term borrowings have been issued or obtained in connection with the extension of the industrial undertaking or the setting up of the new industrial unit of the company;

(*c*) "long-term borrowings" means—

(*i*) any moneys borrowed by the company from Government or the Industrial Finance Corporation of India or the Industrial Credit and Investment Corporation of India or any other financial institution which is for the time being approved by the Central Government for the purposes of clause (*viii*) of sub-section (*1*) of section 36 or any banking institution (not being a financial institution referred to above), or

(*ii*) any moneys borrowed or debt incurred by it in a foreign country in respect of the purchase outside India of capital plant and machinery, where the terms under which such moneys are borrowed or the debt is incurred provide for the repayment thereof during a period of not less than seven years.

(*4*) Where the assessee is a person other than a company or a co-operative society, no deduction shall be admissible under sub-section (*1*) unless the accounts of the assessee for the year or years in which the expenditure specified in sub-section (*2*) is incurred have been audited by an accountant as defined in the *Explanation* below sub-section (*2*) of section 288, and the assessee furnishes, along with his return of income for the first year in which the deduction under this section is claimed, the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed.

(*5*) Where the undertaking of an Indian company which is entitled to the deduction under sub-section (*1*) is transferred, before

the expiry of the period of ten years specified in sub-section (1), to another Indian company in a scheme of amalgamation,—

(i) no deduction shall be admissible under sub-section (1) in the case of the amalgamating company for the previous year in which the amalgamation takes place; and

(ii) the provisions of this section shall, as far as may be, apply to the amalgamated company as they would have applied to the amalgamating company if the amalgamation had not taken place.

(6) Where a deduction under this section is claimed and allowed for any assessment year in respect of any expenditure specified in sub-section (2), the expenditure in respect of which deduction is so allowed shall not qualify for deduction under any other provision of this Act for the same or any other assessment year.

Deduction for expenditure on prospecting, etc., for certain minerals.

35E. (1) Where an assessee, being an Indian company or a person (other than a company) who is resident in India, is engaged in any operations relating to prospecting for, or extraction or production of, any mineral and incurs, after the 31st day of March, 1970, any expenditure specified in sub-scetion (2), the assessee shall, in accordance with and subject to the provisions of this section, be allowed for each one of the relevant previous years a deduction of an amount equal to one-tenth of the amount of such expenditure.

(2) The expenditure referred to in sub-section (1) is that incurred by the assessee after the date specified in that sub-section at any time during the year of commercial production and any one or more of the four years immediately preceding that year, wholly and exclusively on any operations relating to prospecting for any mineral or group of associated minerals specified in Part A or Part B, respectively, of the Seventh Schedule or on the development of a mine or other natural deposit of any such mineral or group of associated minerals:

Provided that there shall be excluded from such expenditure any portion thereof which is met directly or indirectly by any other person or authority and any sale, salvage, compensation or insurance moneys realised by the assessee in respect of any property or rights brought into existence as a result of the expenditure.

(3) Any expenditure—

(*i*) on the acquisition of the site of the source of any mineral or group of associated minerals referred to in sub-section (2) or of any rights in or over such site;

(*ii*) on the acquisition of the deposits of such mineral or group of associated minerals or of any rights in or over such deposits; or

(*iii*) of a capital nature in respect of any building, machinery, plant or furniture for which allowance by way of depreciation is admissible under section 32,

shall not be deemed to be expenditure incurred by the assessee for any of the purposes specified in sub-section (2).

(4) The deduction to be allowed under sub-section (1) for any relevant previous year shall be—

(a) an amount equal to one-tenth of the expenditure specified in sub-section (2) (such one-tenth being hereafter in this sub-section referred to as the instalment); or

(b) such amount as is sufficient to reduce to nil the income (as computed before making the deduction under this section) of that previous year arising from the commercial exploitation [whether or not such commercial exploitation is as a result of the operations or development referred to in sub-section (2)] of any mine or other natural deposit of the mineral or any one or more of the minerals in a group of associated minerals as aforesaid in respect of which the expenditure was incurred,

whichever amount is less:

Provided that the amount of the instalment relating to any relevant previous year, to the extent to which it remains unallowed, shall be carried forward and added to the instalment relating to the previous year next following and deemed to be part of that instalment, and so on, for succeeding previous years, so, however, that no part of any instalment shall be carried forward beyond the tenth previous year as reckoned from the year of commercial production.

(5) For the purposes of this section,—

(a) "operation relating to prospecting" means any operation undertaken for the purpose of exploring, locating or proving deposits of any mineral, and includes any such operation which proves to be infructuous or abortive;

(b) "year of commercial production" means the previous year in which as a result of any operation relating to prospecting, commercial production of any mineral or any one or more of the minerals in a group of associated minerals specified in Part A or Part B, respectively, of the Seventh Schedule, commences;

(c) "relevant previous years" means the ten previous years beginning with the year of commercial production.

(6) Where the assessee is a person other than a company or a co-operative society, no deduction shall be admissible under sub-section (1) unless the accounts of the assessee for the year or years in which the expenditure specified in sub-section (2) is incurred have been audited by an accountant as defined in the *Explanation* below sub-section (2) of section 288, and the assessee furnishes, along with his return of income for the first year in which the deduction under this section is claimed, the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed.

(7) Where the undertaking of an Indian company which is entitled to the deduction under sub-section (1) is transferred, before the

expiry of the period of ten years specified in sub-section (*1*), to another Indian company in a scheme of amalgamation—

(*i*) no deduction shall be admissible under sub-section (*1*) in the case of the amalgamating company for the previous year in which the amalgamation takes place; and

(*ii*) the provisions of this section shall, as far as may be, apply to the amalgamated company as they would have applied to the amalgamating company if the amalgamation had not taken place.

(*8*) Where a deduction under this section is claimed and allowed for any assessment year in respect of any expenditure specified in sub-section (*2*), the expenditure in respect of which deduction is so allowed shall not qualify for deduction under any other provision of this Act for the same or any other assessment year.'.

Amendment of section 38.

9. In section 38 of the Income-tax Act, in sub-section (*2*), for the words, brackets and figures "sub-section (*1*) of section 32", the words, brackets, figures and letter "sub-section (*1*) and sub-section (*1A*) of section 32" shall be substituted.

Amendment of section 40.

10. In section 40 of the Income-tax Act, in sub-clause (*v*) of clause (*a*), in the first proviso, for clause (*d*), the following clause shall be substituted, namely:—

"(*d*) any payment of tax referred to in sub-clause (*vii*) or sub-clause (*viia*) of clause (*6*) of section 10;".

Amendment of section 41.

11. In section 41 of the Income-tax Act,—

(*a*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

'(*2A*) Where any structure or work in or in connection with a building, being the structure or work referred to in sub-section (*1A*) of section 32, is sold, discarded, demolished, destroyed or is surrendered as a result of the determination of the lease or other right of occupancy in respect of the building and the moneys payable in respect of such structure or work together with the amount of scrap value, if any, exceed the written down value, so much of the excess as does not exceed the difference between the actual cost of the structure or work and its written down value shall be chargeable to income-tax as income of the business or profession of the previous year in which the moneys payable for the structure or work became due.

Explanation 1.—Where the moneys payable in respect of the structure or work referred to in this sub-section become due in a previous year in which the business or profession for the purpose of which the structure or work was constructed or done is no longer in existence, the provisions of this sub-section shall apply as if the business or profession were in existence in that previous year.

Explanation 2.—For the purposes of this sub-section, the expression "moneys payable" and the expression "sold" shall have the same meanings as in sub-section (*1A*) of section 32.';

(*b*) in sub-section (*5*), after the word, brackets and figure "sub-section (*2*),", the word, brackets, figure and letter "sub-section (*2A*)," shall be inserted.

Amendment of section 43.

12. In section 43 of the Income-tax Act, in clause (*1*),—

(*a*) in *Explanation 1*, for the words, brackets and figures "sub-section (*1*) of section 32", the words, brackets, figures and letter "sub-section (*1*) or sub-section (*1A*) of section 32" shall be substituted;

(*b*) in *Explanation 4*, for the words, brackets and figures "sub-section (*1*) of section 32 or sub-section (*2*) of section 41", the words, brackets, figures and letters "sub-section (*1*), or clause (*ii*) of sub-section (*1A*), of section 32 or sub-section (*2*) or sub-section (*2A*) of section 41" shall be substituted.

Amendment of section 55.

13. In section 55 of the Income-tax Act, in clause (*a*) of sub-section (*1*), for the words, brackets and figures "sub-section (*1*) of section 32 or sub-section (*2*) of section 41", the words, brackets, figures and letters "sub-section (*1*), or clause (*ii*) of sub-section (*1A*), of section 32 or sub-section (*2*) or sub-section (*2A*) of section 41" shall be substituted.

Amendment of section 57.

14. In section 57 of the Income-tax Act, in clause (*ii*), for the words, brackets and figures "sub-sections (*1*) and (*2*) of section 32", the words, brackets, figures and letter "sub-sections (*1*), (*1A*) and (*2*) of section 32" shall be substituted.

Amendment of section 59.

15. In section 59 of the Income-tax Act, before the *Explanation*, the following sub-section shall be inserted, namely:—

'(*3*) Where any structure or work referred to in sub-section (*1A*) of section 32 in or in relation to a building to which clause (*iii*) of sub-section (*2*) of section 56 applies is sold, discarded, demolished or destroyed or is surrendered as a result of the determination of the lease or other right of occupancy in respect of the building, the provisions of sub-section (*2A*) of section 41 shall apply, so far as may be, in computing the income of an assessee under section 56 as they apply in computing the income of an assessee under the head "Profits and gains of business or profession".'.

Amendment of section 64.

16. Section 64 of the Income-tax Act shall be re-numbered as sub-section (*1*) of that section, and after sub-section (*1*) as so re-numbered, the following sub-section shall be inserted, namely:—

'(*2*) Where, in the case of an individual being a member of a Hindu undivided family, any property having been the separate property of the individual has, at any time after the 31st day of December, 1969, been converted by the individual into property belonging to the family through the act of impressing such separate property with the character of property belonging to the family or throwing it into the common stock of the family (such property being hereinafter referred to as the converted property), then, notwithstanding anything contained in any other provision of this Act or in any other law for the time being in force, for the purpose of computation of the total income of the individual under this Act for any assessment year commencing on or after the 1st day of April, 1971,—

(*a*) the individual shall be deemed to have transferred the converted property, through the family, to the members of the family for being held by them jointly;

(*b*) the income derived from the converted property or any part thereof, in so far as it is attributable to the interest of the individual in the property of the family, shall be deemed to arise to the individual and not to the family;

(*c*) the income derived from the converted property or any part thereof, in so far as it is attributable to the interest of the spouse or any minor son of the individual in the property of the family and where the converted property has been the subject matter of a partition (partial or total) amongst the members of the family, also the income derived from such converted property as is received by the spouse or minor son on partition shall be deemed to arise to the spouse or the minor son from assets transferred indirectly by the individual to the spouse or minor son and the provisions of sub-section (*1*) shall, so far as may be, apply accordingly:

Provided that the income referred to in clause (*b*) or clause (*c*) shall, on being included in the total income of the individual, be excluded from the total income of the family or, as the case may be, the spouse or minor son of the individual.

Explanation.—For the purposes of sub-section (*2*),—

(*1*) "property" includes any interest in property, movable or immovable, the proceeds of sale thereof and any money or investment for the time being representing the proceeds of sale thereof and where the property is converted into any other property by any method, such other property;

(*2*) "interest of the individual in the property of the family" and "interest of the spouse or any minor son of the individual in the property of the family" mean, respectively, the proportion in which the individual or, as the case may be, the spouse or minor son would be entitled to share the property of the family if there had been a total partition in the family as on the last day of the previous year of the family relevant to the assessment year for which the individual is to be assessed under sub-section (*2*).'.

Amendment of section 80A.

17. In section 80A of the Income-tax Act, in sub-section (*3*), after the words, figures and letter "section 80L or", the words, figures and letters "section 80QQ or" shall be inserted.

Amendment of section 80B.

18. In section 80B of the Income-tax Act, in clause (*5*), the words and figures "and without applying the provisions of section 64" shall be, and shall be deemed to have been, omitted with effect from the 1st day of April, 1968.

Amendment of section 80G.

19. In section 80G of the Income-tax Act, in sub-section (*4*), for the proviso, the following proviso shall be, and shall be deemed to have been, substituted with effect from the 1st day of April, 1968, namely:—

"Provided that where such aggregate includes any donations referred to in clause (*b*) of sub-section (*2*) and such aggregate exceeds the limit of two hundred thousand rupees specified in this sub-section, then such limit shall be raised to cover that portion of the donations aforesaid which is equal to the difference between such aggregate and the said limit, so, however, that the limit so raised shall not exceed ten per cent. of the assessee's gross total income as reduced as aforesaid, or five hundred thousand rupees, whichever is less.".

Substitution of new section for section 80K.

20. For section 80K of the Income-tax Act, the following section shall be, and shall be deemed to have been, substituted with effect from the 1st day of April, 1968, namely:—

Deduction in respect of dividends attributable to profits and gains from new industrial undertakings or ships or hotel business.

"80K. Where the gross total income of an assessee, being—

(*a*) the owner of any share or shares in a company, or

(*b*) a person who is chargeable to tax under this Act on the income by way of dividends on any share or shares in a company owned by any other person,

includes any income by way of dividends paid or deemed to have been paid by the company in respect of such share or shares, there shall, subject to any rules that may be made by the Board in this behalf, be allowed, in computing his total income, a deduction from such income by way of dividends of an amount equal to such part thereof as is attributable to the profits and gains derived by the company from an industrial undertaking or ship or the business of a hotel, on which no tax is payable by the company under this Act for any assessment year commencing prior to the 1st day of April, 1968, or in respect of which the company is entitled to a deduction under section 80J for the assessment year commencing on the 1st day of April, 1968, or for any subsequent assessment year.".

Insertion of new section 80QQ.

21. After section 80Q of the Income-tax Act, the following section shall be inserted, namely:—

Deduction in respect of profits and gains from the business of publication of books.

'80QQ. (*1*) Where in the case of an assessee the gross total income of the previous year relevant to the assessment year commencing on the 1st day of April, 1971, or to any one of the four assessment years next following that assessment year, includes any profits and gains derived from a business carried on in India of printing and publication of books or publication of books, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction from such profits and gains of an amount equal to twenty per cent. thereof.

(*2*) In a case where the assessee is entitled also to the deduction under section 80H or section 80J or section 80P, in relation to any part of the profits and gains referred to in sub-section (*1*), the deduction

under sub-section (*1*) shall be allowed with reference to such profits and gains included in the gross total income as reduced by the deductions under sections 80H, 80J and 80P.

(*3*) For the purposes of this section, "books" shall not include newspapers, journals, magazines, diaries, brochures, tracts, pamphlets and other publications of a similar nature, by whatever name called.'.

Substitution of new-section for section 80U.

22. For section 80U of the Income-tax Act, the following section shall be substituted, namely:—

Deduction in the case of totally blind or physically handicapped resident persons.

"80U. In computing the total income of an individual, being a resident, who, as at the end of the previous year,—

(*i*) is totally blind, or

(*ii*) is subject to or suffers from a permanent physical disability (other than blindness) which has the effect of reducing substantially his capacity to engage in a gainful employment or occupation,

there shall be allowed a deduction of a sum of five thousand rupees:

Provided that such individual produces before the Income-tax Officer, in respect of the first assessment year for which deduction is claimed under this section,—

(*a*) in a case referred to in clause (*i*), a certificate as to his total blindness from a registered medical practitioner being an oculist; and

(*b*) in a case referred to in clause (*ii*), a certificate as to the permanent physical disability referred to in the said clause from a registered medical practitioner.".

Amendment of section 89.

23. In section 89 of the Income-tax Act, in sub-sections (*1*) and (*2*), for the words "the Commissioner may, on an application made in this behalf by the assessee, grant such relief as he considers appropriate", the following shall be substituted, namely:—

"the Income-tax Officer shall, on an application made to him in this behalf, grant such relief as may be prescribed.".

Amendment of section 112A.

24. In section 112A, of the Income-tax Act,—

(*a*) for clauses (*a*) and (*b*), the following clauses shall be, and shall be deemed to have been, substituted with effect from the 1st day of April, 1968, namely:—

"(*a*) the amount of income-tax payable on the total income as reduced by the amount of such inclusion, had the total income so reduced been his total income; *plus*

(*b*) the amount of income-tax calculated on the amount of such interest included in the total income at the average rate of income-tax which would have been applicable to the total income if the amount of such interest and the amount of compensation or other payment referred to in clause (*ii*) of section 28 and of the capital gains, if any, had not formed part of it.";

(*b*) *Explanation 1* shall be, and shall be deemed to have been, omitted with effect from the 1st day of April, 1969.

Substitution of new section for section 119.

25. For section 119 of the Income-tax Act, the following section shall be substituted, namely:—

Instructions to subordinate authorities.

"119. (*1*) The Board may, from time to time, issue such orders, instructions and directions to other income-tax authorities as it may deem fit for the proper administration of this Act, and such authorities and all other persons employed in the execution of this Act shall observe and follow such orders, instructions and directions of the Board:

Provided that no such orders, instructions or directions shall be issued—

(*a*) so as to require any income-tax authority to make a particular assessment or to dispose of a particular case in a particular manner; or

(*b*) so as to interfere with the discretion of the Appellate Assistant Commissioner in the exercise of his appellate functions.

(*2*) Without prejudice to the generality of the foregoing power,—

(*a*) the Board may, if it considers it necessary or expedient so to do, for the purpose of proper and efficient management of the work of assessment and collection of revenue, issue, from time to time (whether by way of relaxation of any of the provisions of sections 143, 144, 147, 148, 154, 155, 210, 271 and 273 or otherwise), general or special orders in respect of any class of incomes or class of cases, setting forth directions or instructions (not being prejudicial to assessees) as to the guidelines, principles or procedures to be followed by other income-tax authorities in the work relating to assessment or collection of revenue or the initiation of proceedings for the imposition of penalties and any such order may, if the Board is of opinion that it is necessary in the public interest so to do, be published and circulated in the prescribed manner for general information;

(*b*) the Board may, if it considers it desirable or expedient so to do for avoiding genuine hardship in any case or class of cases, by general or special order, authorise the Commissioner or the Income-tax Officer to admit an application or claim for any exemption, deduction, refund or any other relief under this Act after the expiry of the period specified by or under this Act for making such application or claim and deal with the same on merits in accordance with law.

(3) Every Income-tax Officer employed in the execution of this Act shall observe and follow such instructions as may be issued to him for his guidance by the Director of Inspection or by the Commissioner or by the Inspecting Assistant Commissioner within whose jurisdiction he performs his functions.".

Amendment of section 139.

26. In section 139 of the Income-tax Act,—

(*a*) in sub-section (*1*), for the proviso, the following proviso shall be substituted, namely:—

"Provided that, on an application made in the prescribed manner, the Income-tax Officer may, in his discretion, extend the date for furnishing the return, and, notwithstanding that the date is so extended, interest shall be chargeable in accordance with the provisions of sub-section (*8*).";

(*b*) sub-section (*1A*) shall be omitted;

(*c*) in sub-section (*2*), for the proviso, the following proviso shall be substituted, namely:—

"Provided that, on an application made in the prescribed manner, the Income-tax Officer may, in his discretion, extend the date for furnishing the return, and, notwithstanding that the date for furnishing the return, whether fixed originally or on extension, falls beyond the 30th day of September, referred to in sub-section (*8*), interest shall be chargeable in accordance with the provisions of the said sub-section.";

(*d*) in sub-section (*3*), after the words, brackets and figure "within the time allowed under sub-section (*1*)", the words "or within such further time which, on an application made in the prescribed manner, the Income-tax Officer may, in his discretion, allow" shall be inserted;

(*e*) in sub-section (*4*), in clause (*a*), for the words, brackets and figures "and the provisions of clause (*iii*) of the proviso to sub-section (*1*) shall apply in every such case", the words, brackets and figure "and the provisions of sub-section (*8*) shall apply in every such case" shall be substituted;

(*f*) for sub-section (*8*), the following sub-section shall be substituted, namely:—

"(*8*) (*a*) Where the return under sub-section (*1*) or sub-section (*2*) or sub-section (*4*) for an assessment year is furnished after the 30th day of September of the assessment year, or is not furnished, then [whether or not the Income-tax Officer has extended the date for furnishing the return under sub-section (*1*) or sub-section (*2*)], the assessee shall be liable to pay simple interest at nine per cent. per annum, reckoned from the 1st day of October of the assessment year to the date of the furnishing of the return or, where no return has been furnished, the date of completion of the assessment undr section 144, on the amount of the tax payable on the total income as determined on regular assessment, as reduced by the advance tax, if any, paid and any tax deducted at source;

Provided that in the case of any person whose total income includes any income from business or profession, the previous year in respect of which expired after the 31st day of December of the year immediately preceding the assessment year, such interest shall be reckoned from the 1st day of January instead of the 1st day of October of the assessment year:

Provided further that the Income-tax Officer may, in such cases and under such circumstances as may be prescribed, reduce or waive the interest payable by any person under this sub-section.

Explanation.—For the purposes of this sub-section, where the assessee is a registered firm or an unregistered firm which has been assessed under clause (*b*) of section 183, the tax payable on the total income shall be the amount of tax which would have been payable if the firm had been assessed as an unregistered firm.

(*b*) Where as a result of an order under section 154 or section or section 250 or section 254 or section 260 or section 262 or on 264, the amount of tax on which interest was payable r this sub-section has been reduced, the interest shall be ced accordingly, and the excess interest paid, if any, shall be nded.".

tion of new section for section 140A.

ction 140A of the Income-tax Act, the following section shall be substituted, namely:—

Self assessment.

"140A. (*1*) Where a return has been furnished under section 139 and the tax payable on the basis of that return as reduced by any tax already paid under any provision of this Act exceeds five hundred rupees, the assessee shall pay the tax so payable within thirty days of furnishing the return.

(*2*) After a regular assessment under section 143 or section 144 has been made, any amount paid under sub-section (*1*) shall be deemed to have been paid towards such regular assessment.

(*3*) If any assessee fails to pay the tax or any part thereof in accordance with the provisions of sub-section (*1*), he shall, unless a regular assessment under section 143 or section 144 has been made before the expiry of the thirty days referred to in that sub-section, be liable, by way of penalty, to pay such amount as the Income-tax Officer may direct, and in the case of a continuing failure, such further amount or amounts as the Income-tax Officer may, from time to time, direct, so, however, that the total amount of penalty does not exceed fifty per cent. of the amount of such tax or part, as the case may be:

Provided that before levying any such penalty, the assessee shall be given a reasonable opportunity of being heard.".

28. Section 141 of the Income-tax Act shall be omitted. Omission of section 141.

29. In section 141A of the Income-tax Act,— Amendment of section 141A.

(*a*) in sub-section (*1*), for the words "on the basis or such return, accounts and documents", the following shall be substituted, namely:—

"after making such adjustments to the income or loss declared in the return as are required to be made under sub-section (*2*) with reference to such return, accounts and documents, and for the purposes of the adjustments referred to in clause (*iv*) of sub-section (*2*), also with reference to the record of the assessments, if any, of past years:

Provided that in a case where the regular assessment is not made within six months from the date of receipt of the return, the Income-tax Officer shall proceed to make the provisional assessment under this section.";

(*b*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) In making any assessment under this section, the Income-tax Officer shall make the following adjustments to the income or loss declared in the return, that is to say, he shall—

(*i*) rectify any arithmetical errors in the return, accounts and documents referred to in sub-section (*1*);

(*ii*) allow any deduction, allowance or relief which, on the basis of the information available in such return, accounts and documents, is, *prima facie*, admissible, but is not claimed in the return;

(*iii*) disallow any deduction, allowance or relief claimed in the return which, on the basis of the information available in such return, accounts and documents, is, *prima facie*, inadmissible;

(*iv*) give due effect to the allowance referred to in sub-section (*2*) of section 32, the deduction referred to in clause (*ii*) of sub-section (*2*) of section 33 or clause (*ii*) of sub-section (*2*) of section 33A or clause (*i*) of sub-section (*2*) of section 35 or sub-section (*1*) of section 35A or sub-section (*1*) of section 35D or sub-section (*1*) of section 35E or the first proviso to clause (*ix*) of sub-section (*1*) of section 36, any loss carried forward under sub-section (*1*) of section 72 or sub-section (*2*) of section 73 or sub-section (*1*) of section 74 and the deficiency referred to in sub-section (*3*) of section 80J, as computed, in each case, in the regular assessment, if any, for the earlier assessment year or years.".

Substitution of new section for section 143.

30. For section 143 of the Income-tax Act, the following section shall be substituted, namely:—

Assessment.

'143. (*1*) (*a*) Where a return has been made under section 139, the Income-tax Officer may, without requiring the presence of the assessee or the production by him of any evidence in support of the return, make an assessment of the total income or loss of the assessee after making such adjustments to the income or loss declared in the return as are required to be made under clause (*b*), with reference to the return and the accounts and documents, if any, accompanying it, and for the purposes of the adjustments referred to in sub-clause (*iv*) of clause (*b*), also with reference to the record of the assessments, if any, of past years, and determine the sum payable by the assessee or refundable to him on the basis of such assessment.

(*b*) In making an assessment of the total income or loss of the assessee under clause (*a*), the Income-tax Officer shall make the following adjustments to the income or loss declared in the return, that is to say, he shall,—

(*i*) rectify any arithmetical errors in the return, accounts and documents referred to in clause (*a*);

(*ii*) allow any deduction, allowance or relief which, on the basis of the information available in such return, accounts and documents, is, *prima facie*, admissible, but is not claimed in the return;

(*iii*) disallow any deduction, allowance or relief claimed in the return which, on the basis of the information available in such return, accounts and documents, is, *prima facie*, inadmissible;

(*iv*) give due effect to the allowance referred to in sub-section (*2*) of section 32, the deduction referred to in clause (*ii*) of sub-section (*2*) of section 33 or clause (*ii*) of sub-section (*2*) of section 33A or clause (*i*) of sub-section (*2*) of section 35 or sub-section (*1*) of section 35A or sub-section (*1*) of section 35D or sub-section (*1*) of section 35E or the first proviso to clause (*ix*) of sub-section (*1*) of section 36, any loss carried forward under sub-section (*1*) of section 72 or sub-section (*2*) of section 73 or sub-section (*1*) of section 74 and the deficiency referred to in sub-section (*3*) of section 80J, as computed, in each case, in the regular assessment, if any, for the earlier assessment year or years.

(*2*) Where a return has been made under section 139, and—

(*a*) an assessment having been made under sub-section (*1*), the assessee makes within one month from the date of service of the notice of demand issued in consequence of such assessment, an application to the Income-tax Officer objecting to the assessment, or

(*b*) whether or not an assessment has been made under sub-section (*1*), the Income-tax Officer considers it necessary or expedient to verify the correctness and completeness of the return by requiring the presence of the assessee or the production of evidence in this behalf,

the Income-tax Officer shall serve on the assessee a notice requiring him, on a date to be therein specified, either to attend at the Income-tax Officer's Office or to produce, or to cause to be there produced, any evidence on which the assessee may rely in support of the return:

Provided that, in a case where an assessment has been made under sub-section (*1*), the notice under this sub-section [except where such notice is in pursuance of an application by the assessee under clause (*a*)] shall not be issued by the Income-tax Officer unless the previous approval of the Inspecting Assistant Commissioner has been obtained to the issue of such notice:

Provided further that in a case where the assessment made under sub-section (*1*) is objected to by the assessee by an application under clause (*a*), the assessee shall not be deemed to be in default in respect of the whole or any part of the amount of the tax demanded in pursuance of the assessment under that sub-section, which is disputed by the assessee, in so far as such amount does not relate to any adjustment referred to in sub-clause (*i*) of clause (*b*) of sub-section (*1*), and further no interest shall be chargeable under sub-section (*2*) of section 220 in respect of such disputed amount.

(*3*) On the day specified in the notice issued under sub-section (*2*), or as soon afterwards as may be, after hearing such evidence as the assessee may produce and such other evidence as the Income-tax Officer may require on specified points, and after taking into account all relevant material which he has gathered,—

(*a*) in a case where no assessment has been made under sub-section (*1*), the Income-tax Officer shall, by an order in writing, make an assessment of the total income or loss of the assessee, and determine the sum payable by him or refundable to him on the basis of such assessment;

(*b*) in a case where an assessment has been made under sub-section (*1*), if either such assessment has been objected to by the assessee by an application under clause (*a*) of sub-section (*2*) or the Income-tax Officer is of opinion that such assessment is incorrect, inadequate or incomplete in any material respect, the Income-tax Officer shall, by an order in writing, make a fresh assessment of the total income or loss of the assessee, and determine the sum payable by him or refundable to him on the basis of such assessment.

Explanation.—For the purposes of this section,—

(*1*) an assessment under sub-section (1) shall be deemed to be incorrect, inadequate or incomplete in a material respect, if—

(*a*) the amount of the total income as determined under sub-section (*1*) is greater or smaller than the amount of the total income on which the assessee is properly chargeable under this Act to tax; or

(*b*) the amount of the tax payable as determined under sub-section (*1*) is greater or smaller than the amount of the tax properly payable under this Act by the assessee; or

(c) the amount of any loss as determined under sub-section (*1*) is greater or smaller than the amount of the loss, if any, determinable under this Act on a proper computation; or

(*d*) the amount of any depreciation allowance, development rebate or any other allowance or deduction as determined under sub-section (*1*) is greater or smaller than the amount of the depreciation allowance, development rebate or, as the case may be, other allowance or deduction properly allowable under this Act; or

(*e*) the amount of the refund as determined under sub-section (*1*) is greater or smaller than the amount of the refund, if any, due under this Act on a proper computation; or

(*f*) the status in which the assessee has been assessed under sub-section (*1*) is different from the status in which the assessee is properly assessable under this Act;

(*2*) "status", in relation to an assessee, means the classification of the assessee as an individual, a Hindu undivided family, or any other category of persons referred to in clause (*31*) of section 2, and where the assessee is a firm, its classification as a registered firm or an unregistered firm.'.

Amendment of section 153.

31. In section 153 of the Income-tax Act,—

(*a*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*2A*) Notwithstanding anything contained in sub-sections (*1*) and (*2*), in relation to the assessment year commencing on the 1st day of April, 1971, and any subsequent assessment year, an order of fresh assessment under section 146 or in pursuance of an order, under section 250, section 254, section 263 or section 264, setting aside or cancelling an assessment, may be made at any time before the expiry of two years from the end of the financial year in which the order under section 146 cancelling the assessment is passed by the Income-tax Officer or the order under section 250 or section 254 is received by the Commissioner or, as the case may be, the order under section 263 or section 264 is passed by the Commissioner.";

(*b*) in sub-section (*3*), after the words "assessments, reassessments and re-computations which may", the words, brackets, figure and letter ", subject to the provisions of sub-section (*2A*)," shall be inserted.

Amendment of section 183.

32. In section 183 of the Income-tax Act, for clause (*b*), the following clause shall be substituted, namely:—

"(*b*) if, in his opinion, the aggregate amount of the tax payable by the firm if it were assessed as a registered firm and the tax payable by the partners individually if the firm were so assessed would be greater than the aggregate amount of the tax payable by the firm under clause (*a*) and the tax which would be payable by the partners individually, may proceed to make the assessment under sub-section (*1*) of section 182 as if the firm were a registered firm; and, where the procedure specified in this clause is applied to any un-

registered firm, the provisions of sub-sections (2), (3) and (4) of section 182 shall apply thereto as they apply in relation to a registered firm.".

Amendment of section 184.

33. In section 184 of the Income-tax Act, in the proviso to sub-section (7), for clause (*ii*), the following clause shall be substituted, namely:—

"(*ii*) the firm furnishes, before the expiry of the time allowed under sub-section (1) or sub-section (2) of section 139 (whether fixed originally or on extension) for furnishing the return of income for such subsequent assessment year, a declaration to that effect, in the prescribed form and verified in the prescribed manner, so, however, that where the Income-tax Officer is satisfied that the firm was prevented by sufficient cause from furnishing the declaration within the time so allowed, he may allow the firm to furnish the declaration at any time before the assessment is made.".

Amendment of section 185.

34. In section 185 of the Income-tax Act,—

(*a*) in sub-section (1), the following *Explanation* shall be inserted at the end, namely:—

"*Explanation.*—For the purposes of this section and section 186, a firm shall not be regarded as a genuine firm if any partner of the firm was, in relation to the whole or any part of his share in the income or property of the firm, at any time during the previous year, a *benamidar* of any other partner to whom the first-mentioned partner does not stand in the relationship of a spouse or minor child.";

(*b*) for sub-sections (2) and (3), the following sub-sections shall be substituted, namely:—

"(2) Where the Income-tax Officer considers that the application for registration is not in order, he shall intimate the defect to the firm and give it an opportunity to rectify the defect in the application within a period of one month from the date of such intimation; and if the defect is not rectified within that period, the Income-tax Officer shall, by order in writing, reject the application.

(3) Where the Income-tax Officer considers that the declaration furnished by a firm in pursuance of sub-section (7) of section 184 is not in order, he shall intimate the defect to the firm and give it an opportunity to rectify the defect in the declaration within a period of one month from the date of such intimation; and if the defect is not rectified within that period, the Income-tax Officer shall, by order in writing, declare that the registration granted to the firm shall not have effect for the relevant assessment year.".

Amendment of section 209.

35. In section 209 of the Income-tax Act, for clause (*d*) and the *Explanation* at the end, the following clause and *Explanation* shall be substituted, namely:—

"(*d*) in cases where—

(*i*) the total income of the latest previous year [being a year later than the previous year referred to in clause (*a*)] on the basis of which tax has been paid by the assessee under section 140A exceeds the total income referred to in clause (*a*), or

(*ii*) the Income-tax Officer makes an amended order referred to in sub-section (*3*) of section 210 on the basis of the total income on which tax has been paid by the assessee under section 140A,

the total income referred to in clause (*a*) shall be substituted,—

(*1*) in a case falling under sub-clause (*i*), by the total income on the basis of which tax has been paid under section 140A, and

(*2*) in a case falling under sub-clause (*ii*), by the total income on the basis of which the amended order under sub-section (*3*) of section 210 is made.

Explanation.—If the assessee is a partner of a registered firm and an assessment of the firm has been completed for a previous year later than the latest previous year for which the assessee's assessment has been completed, his share in the income of the firm shall, for the purposes of clause (*a*), be included in his total income on the basis of the said assessment of the firm.".

Amendment of section 210.

36. In section 210 of the Income-tax Act, for sub-section (*3*), the following sub-section shall be substituted, namely:—

"(*3*) If, after the making of an order by the Income-tax Officer under this section and at any time before the date which is fifteen days prior to the date on which the last instalment of advance tax is payable by the assessee under sub-section (*1*) of section 211, tax is paid by the assessee under section 140A or a regular assessment of the assessee (or of the registered firm of which he is a partner) is made in respect of a previous year later than that referred to in the order of the Income-tax Officer, the Income-tax Officer may make an amended order requiring the assessee to pay in one instalment on the specified date or in equal instalments on the specified dates, if more than one, falling after the date of the amended order, the advance tax computed on the basis of the total income on which tax has been paid under section 140A or in respect of which the regular assessment aforesaid has been made as reduced by the amount, if any, paid in accordance with the original order.".

Amendment of section 215.

37. In section 215 of the Income-tax Act, for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) Where before the date of completion of a regular assessment, tax is paid by the assessee under section 140A or otherwise,—

(*i*) interest shall be calculated in accordance with the foregoing provision up to the date on which the tax is so paid; and

(*ii*) thereafter, interest shall be calculated at the rate aforesaid on the amount by which the tax as so paid (in so far as it relates to income subject to advance tax) falls short of the assessed tax.".

Amendment of section 221.

38. In section 221 of the Income-tax Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) When an assessee is in default or is deemed to be in default in making a payment of tax, he shall, in addition to the amount of the arrears and the amount of interest payable under sub-section (*2*) of section 220, be liable, by way of penalty, to pay such amount as the Income-tax Officer may direct, and in the case of a continuing

default, such further amount or amounts as the Income-tax Officer may, from time to time, direct, so, however, that the total amount of penalty does not exceed the amount of tax in arrears:

Provided that before levying any such penalty, the assessee shall be given a reasonable opportunity of being heard:

Provided further that where the Income-tax Officer is satisfied that the default was for good and sufficient reasons, no penalty shall be levied under this section.".

Omission of section 233.

39. Section 233 of the Income-tax Act shall be omitted.

Amendment of section 234.

40. In section 234 of the Income-tax Act,—

(*a*) for the word and figures "section 141", the words, figures and letter "section 141 or section 141A" shall be, and shall be deemed to have been, substituted with effect from the 1st day of April, 1968;

(*b*) the words and figures "section 141 or" shall be omitted.

Amendment of section 235.

41. In section 235 of the Income-tax Act,—

(*a*) in sub-clause (*ii*) of clause (*b*), for the words "twenty-seven and a half per cent.", the words "the amount of income-tax payable by it under this Act" shall be substituted;

(*b*) the following *Explanation* shall be, and shall be deemed always to have been, inserted at the end, namely:—

"*Explanation.*—Where any person other than the shareholder is chargeable to tax under this Act on the dividend referred to in this section, references in this section to the shareholder shall be construed as references to such other person.".

Amendment of section 243.

42. In section 243 of the Income-tax Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) If the Income-tax Officer does not grant the refund,—

(*a*) in any case where the total income of the assessee does not consist solely of income from interest on securities or dividends, within three months from the end of the month in which the total income is determined under this Act, and

(*b*) in any other case, within three months from the end of the month in which the claim for refund is made under this Chapter,

the Central Government shall pay the assessee simple interest at nine per cent. per annum on the amount directed to be refunded from the date immediately following the expiry of the period of three months aforesaid to the date of the order granting the refund.

Explanation.—If the delay in granting the refund within the period of three months aforesaid is attributable to the assessee, whether wholly or in part, the period of the delay attributable to him shall be excluded from the period for which interest is payable.".

Amendment of section 244.

43. In section 244 of the Income-tax Act,—

(*a*) in sub-section (*1*),—

(*i*) for the words "within a period of six months from the date of such order", the words and figures "within a period of three months from the end of the month in which such order is passed" shall be substituted:

(*ii*) for the words "the period of six months aforesaid", the words "the period of three months aforesaid" shall be substituted;

(*b*) in sub-section (*2*), for the words and figures "six months from the date of the order referred to in section 241", the words and figures "three months from the end of the month in which the order referred to in section 241 is passed" shall be substituted.

Amendment of section 246.

44. In section 246 of the Income-tax Act, for clause (*j*), the following clause shall be substituted, namely:—

"(*j*) an order under clause (*b*) of sub-section (*1*) or under sub-section (*2*) or sub-section (*3*) or sub-section (*5*) of section 185,".

Amendment of section 253.

45. In section 253 of the Income-tax Act, in sub-section (*6*), for the words "a fee of rupees one hundred", the words "a fee of one hundred and twenty-five rupees" shall be substituted.

Amendment of section 255

46. In section 255 of the Income-tax Act, in sub-section (*3*), for the words "twenty-five thousand rupees", the words "forty thousand rupees" shall be substituted.

Amendment of section 256.

47. In section 256 of the Income-tax Act, in sub-section (*1*), for the words "a fee of rupees one hundred", the words "a fee of one hundred and twenty-five rupees" shall be substituted.

Amendment of section 271.

48. In section 271 of the Income-tax Act, in sub-section (*1A*), for the proviso, the following proviso shall be substituted, namely:—

"Provided that—

(*i*) if in a case the minimum penalty imposable under clause (*i*) of sub-section (*1*) for the relevant assessment year, or, where such disclosure relates to more than one assessment year, the aggregate of the minimum penalty imposable under the said clause for those years, exceeds a sum of fifty thousand rupees, or

(*ii*) if in a case falling under clause (c) of sub-section (*1*), the amount of income in respect of which penalty is imposable for the relevant assessment year, or, where such disclosure relates to more than one assessment year, the aggregate amount of such income for those years, exceeds a sum of five hundred thousand rupees,

no order reducing or waiving the penalty shall be made by the Commissioner unless the previous approval of the Board has been obtained.".

Amendment of section 274.

49. In section 274 of the Income-tax Act, in sub-section (*2*), for the words "the minimum penalty imposable exceeds a sum of rupees one thousand", the words and brackets "the amount of income (as determined by the Income-tax Officer on assessment) in respect of which the particulars have been concealed or inaccurate particulars have been furnished exceeds a sum of twenty-five thousand rupees" shall be substituted.

Substitution of new section for section 275.

50. For section 275 of the Income-tax Act, the following section shall be substituted, namely:—

Bar of limitation for imposing penalties

"275. No order imposing a penalty under this Chapter shall be passed—

(*a*) in a case where the relevant assessment or other order is the subject-matter of an appeal to the Appellate Assistant Commissioner under section 246 or an appeal to the Appellate Tribunal under sub-section (*2*) of section 253, after the expiration of a period of—

(*i*) two years from the end of the financial year in which the proceedings, in the course of which action for imposition of penalty has been initiated, are completed, or

(*ii*) six months from the end of the month in which the order of the Appellate Assistant Commissioner or, as the case may be, the Appellate Tribunal is received by the Commissioner,

whichever period expires later;

(*b*) in any other case, after the expiration of two years from the end of the financial year in which the proceedings, in the course of which action for imposition of penalty has been initiated, are completed.

Explanation.—In computing the period of limitation for the purpose of this section, the time taken in giving an opportunity to the assessee to be re-heard under the proviso to section 129 and any period during which a proceeding under this Chapter for the levy of penalty is stayed by an order or injunction of any court shall be excluded.".

Amendment of section 276

51. In section 276 of the Income-tax Act,—

(*a*) in clause (*b*), the words, brackets and figures "sub-section (*2*) of section 139," shall be omitted;

(*b*) clause (*c*) shall be omitted.

Insertion of new sections 276C and 276D.

52. After section 276B of the Income-tax Act, the following sections shall be inserted, namely:—

Failure to furnish returns of income

"276C. If a person wilfully fails to furnish in due time the return of income which he is required to furnish under sub-section (*1*) of section 139 or by notice given under sub-section (*2*) of section 139 or section 148 he shall be punishable with rigorous imprisonment for a term which may extend to one year or with fine equal to a sum calculated at a rate which shall not be less than four rupees or more than ten rupees for every day during which the default continues, or with both:

Provided that a person shall not be proceeded against under this section for failure to furnish in due time the return of income under sub-section (*1*) of section 139—

(*i*) for any assessment year commencing prior to the 1st day of April, 1971; or

(*ii*) for any assessment year commencing on or after the 1st day of April, 1971, if—

(*a*) the return is furnished by him before the expiry of the assessment year; or

(*b*) the tax payable by him on the total income determined on regular assessment, as reduced by the advance tax, if any, paid, and any tax deducted at source, does not exceed three thousand rupees.

Failure to produce accounts and documents.

276D. If a person wilfully fails to produce, or cause to be produced, on or before the date specified in any notice served on him under sub-section (*1*) of section 142, such accounts and documents as are referred to in the notice, he shall be punishable with rigorous imprisonment for a term which may extend to one year or with fine equal to a sum calculated at a rate which shall not be less than four rupees or more than ten rupees for every day during which the default continues, or with both.".

Amendment of section 279.

53. In section 279 of the Income-tax Act, in sub-section (*1*), after the words, figures and letter "or section 276B", the words, figures and letters "or section 276C or section 276D" shall be inserted.

Amendment of section 280ZA.

54. In section 280ZA of the Income-tax Act,—

(*a*) in sub-section (*1*), for the words "public company", the word "company" shall be substituted;

(*b*) in sub-section (*3*), for the words "public company" and "such company", the words "company" and "the company" shall, respectively, be substituted.

Amendment of section 295.

55. In section 295 of the Income-tax Act, in sub-section (2),—

(*a*) after sub-clause (*ii*) of clause (*b*), the following sub-clause shall be inserted, namely:—

"(*iii*) an indiyidual who is liable to be assessed under the provisions of sub-section (2) of section 64;";

(*b*) after clause (*k*), the following clause shall be inserted, namely:—

"(*kk*) the procedure to be followed in calculating interest payable by assessees or interest payable by Government to

assessees under any provision of this Act, including the rounding off of the period for which such interest is to be calculated in cases where such period includes a fraction of a month, and specifying the circumstances in which and the extent to which petty amounts of interest payable by assessees may be ignored;".

Amendment of Second Schedule.

56. In the Second Schedule to the Income-tax Act, in rule 60, in clause (*a*) of sub-rule (*1*), for the words "the rate of six per cent. per annum", the words "the rate of nine per cent. per annum" shall be substituted.

Amendment of Fourth Schedule.

57. In the Fourth Schedule to the Income-tax Act,—

(*a*) in Part A, in rule 15, in sub-rule (*1*), after clause (*b*), the following clause shall be inserted, namely:—

"(*bb*) regulating the investment or deposit of the moneys of a recognised provident fund:

Provided that no rule made under this clause shall require the investment of more than fifty per cent. of the moneys of such fund in Government Securities as defined in section 2 of the Public Debt Act, 1944.";

18 of 1944.

(*b*) in Part B,—

(*i*) in rule 4, in sub-rule (*1*), for the words "and of the accounts of the fund for the last year for which such accounts have been made up", the following shall be substituted, namely:—

"and, where the fund has been in existence during any year or years prior to the financial year in which the application for approval is made, also two copies of the accounts of the fund relating to such prior year or years (not being more than three years immediately preceding the year in which the said application is made) for which such accounts have been made up";

(*ii*) in rule 11, in sub-rule (*1*), after clause (*c*), the following clause shall be inserted, namely:—

"(*cc*) regulating the investment or deposit of the moneys of an approved superannuation fund:

Provided that no rule made under this clause shall require the investment of more than fifty per cent. of the moneys of such fund in Government Securities as defined in section 2 of the Public Debt Act, 1944.";

18 of 1944.

(*c*) in Part C,—

(*i*) in rule 4, in sub-rule (*1*), for the words "and of the accounts of the fund for the last three years for which such accounts have been made up", the following shall be substituted, namely:—

"and, where the fund has been in existence during any year or years prior to the financial year in which the application for approval is made, also two copies of the accounts of the fund relating to such prior year or years (not being more than three years immediately preceding the year in which the said application is made) for which such accounts have been made up";

(*ii*) after rule 8, the following rule shall be inserted, namely:—

Particulars to be furnished in respect of gratuity funds.

"8A. The trustees of an approved gratuity fund and any employer who contributes to an approved gratuity fund shall, when required by notice from the Income-tax Officer, furnish within such period, not being less than twenty-one days from the date of the notice, as may be specified in the notice, such return, statement, particulars or information, as the Income-tax Officer may require.";

(*iii*) in rule 9, in sub-rule (*1*), after clause (*b*), the following clause shall be inserted, namely:—

"(*bb*) regulating the investment of deposit of the moneys of an approved gratuity fund:

Provided that no rule made under this clause shall require the investment of more than fifty per cent. of the moneys of such fund in Government Securities as defined in section 2 of the Public Debt Act, 1944.". 18 of 1944

Insertion of Seventh Schedule.

58. After the Sixth Schedule to the Income-tax Act, the following Schedule shall be inserted, namely:—

'THE SEVENTH SCHEDULE

(*See* section 35E)

PART A.—Minerals

1. Aluminium ores.
2. Apatite and phosphatic ores.
3. Beryl.
4. Chrome ore.
5. Coal and lignite.
6. Columbite, Samarskite and other minerals of the "rare earths" group.
7. Copper.
8. Gold.
9. Gypsum.
10. Iron ore.
11. Lead.
12. Manganese ore.
13. Molybdenum.
14. Nickel ores.
15. Platinum and other precious metals and their ores.
16. Pitchblende and other uranium ores.
17. Precious stones.
18. Rutile.
19. Silver.
20. Sulphur and its ores.
21. Tin.

22. Tungsten ores.

23. Uraniferous allanite, monazite and other thorium minerals.

24. Uranium bearing tailings left over from ores after extraction of copper and gold, ilmenite and other titanium ores.

25. Vanadium ores.

26. Zinc.

27. Zircon.

PART B.—Groups of Associated Minerals

1. Apatite, Beryl, Cassiterite, Columbite, Emerald, Felspar, Lepidolite, Mica, Pitchblende, Quartz, Samarskite, Scheelite, Topaz, Tantalite, Tourmaline.

2. Iron, Manganese, Titanium, Vanadium and Nickel minerals.

3. Lead, Zinc, Copper, Cadmium, Arsenic, Antimony, Bismuth, Cobalt, Nickel, Molybdenum, and Uranium minerals, and Gold and Silver, Arsinopyrite, Chalcopyrite, Pyrite, Pyphrotite and Pentalandite.

4. Chromium, Osmiridium, Platinum, and Nickel minerals.

5. Kyanite, Sillimanite, Corrundum, Dumortierite and Topaz.

6. Gold, Silver, Tellurium, Selenium and Pyrite.

7. Barytes, Flourite, Chalcocite, Selenium, and minerals of Zinc, Lead and Silver.

8. Tin and Tungsten minerals.

9. Limestone, Dolomite and Magnesite.

10. Ilmenite, Monazite, Zircon, Rutile, Garnet and Sillimanite.

11. Sulphides of copper and iron.

12. Coal, Fireclay and Shale.

13. Magnetite and Apatite.

14. Magnesite and Chromite.

15. Talc (Soapstone and Steatite) and Dolomite.

16. Bauxite, Laterite, Aluminous Clays, Lithomorge, Titanium, Vanadium, Gallium and Columbium minerals.'.

CHAPTER III

AMENDMENTS TO THE WEALTH-TAX ACT, 1957

27 of 1957.

59. In section 5 of the Wealth-tax Act, 1957 (hereinafter referred to as the Wealth-tax Act), in sub-section (*1*), after clause (*vi*), the following clause shall be, and shall be deemed to have been, inserted with effect from the 1st day of April, 1965, namely:— Amendment of section 5.

"(*via*) the right of the assessee to receive any annuity payable by the Central Government under the provisions of section 280D of the Income-tax Act;".

60. In section 15B of the Wealth-tax Act, in sub-section (*3*), for the words "so, however, that the amount of penalty does not exceed fifty per cent. of the amount of such tax or part, as the case may be:" the following shall be substituted, namely:— Amendment of section 15 B.

"and in the case of a continuing failure, such further amount or amounts as the Wealth-tax Officer may from time to time direct, so, however, that the total amount of penalty does not exceed fifty per cent. of the amount of such tax or part, as the case may be:".

Amendment of section 18.

61. In section 18 of the Wealth-tax Act,—

(*a*) in sub-section (*2A*), the following proviso shall be inserted at the end, namely:—

"Provided that if in a case falling under clause (*c*) of sub-section (*1*) the amount in respect of which penalty is imposable for the relevant assessment year, or where such disclosure relates to more than one assessment year, such amount for any one of the relevant assessment years, exceeds five hundred thousand rupees, no order reducing or waiving the penalty shall be made by the Commissioner unless the previous approval of the Board has been obtained.";

(*b*) in sub-section (*3*), for the words "the minimum penalty imposable exceeds a sum of rupees one thousand", the following shall be substituted, namely:—

"the amount (as determined by the Wealth-tax Officer on assessment) in respect of which penalty is imposable under clause (*c*) of sub-section (*1*) exceeds a sum of twenty-five thousand rupees";

(*c*) for sub-section (5), the following sub-section shall be substituted, namely:—

"(5) No order imposing a penalty under this section shall be passed—

(*a*) in a case where the assessment to which the proceedings for imposition of penalty relate is the subject-matter of an appeal to the Appellate Assistant Commissioner under section 23 or an appeal to the Appellate Tribunal under sub-section (2) of section 24, after the expiration of a period of—

(*i*) two years from the end of the financial year in which the proceedings, in the course of which action for imposition of penalty has been initiated, are completed, or

(*ii*) six months from the end of the month in which the order of the Appellate Assistant Commissioner or, as the case may be, the Appellate Tribunal is received by the Commissioner,

whichever period expires later;

(*b*) in any other case, after the expiration of two years from the end of the financial year in which the proceedings, in the course of which action for imposition of penalty has been initiated, are completed.

Explanation.—In computing the period of limitation for the purposes of this section, the time taken in giving an opportunity to the assessee to be reheard under the proviso to section 39 and any period during which a proceeding under this section for the levy of penalty is stayed by an order or injunction of any court shall be excluded.".

Amendment of section 24.

62. In section 24 of the Wealth-tax Act, in sub-section (4), for the words "a fee of one hundred rupees", the words "a fee of one hundred and twenty-five rupees" shall be substituted.

Amendment of section 26.

63. In section 26 of the Wealth-tax Act, in sub-section (2), for the words "a fee of rupees one hundred", the words "a fee of one hundred and twenty-five rupees" shall be substituted.

Amendment of section 27.

64. In section 27 of the Wealth-tax Act, in sub-section (1), for the words "a fee of rupees one hundred", the words "a fee of one hundred and twenty-five rupees" shall be substituted.

Insertion of new sections 44C and 44D.

65. After section 44B of the Wealth-tax Act, the following sections shall be inserted, namely:—

Rounding off of net wealth.

"44C. The amount of net wealth computed in accordance with the foregoing provisions of this Act shall be rounded off to the nearest multiple of one hundred rupees and, for this purpose, any part of a rupee consisting of paise shall be ignored and thereafter, if such amount contains a part of one hundred rupees, then, if such part is fifty rupees or more, the amount shall be increased to the next higher amount which is a multiple of one hundred and, if such part is less than fifty rupees, the amount shall be reduced to the next lower amount which is a multiple of one hundred; and the amount so rounded off shall be deemed to be the net wealth of the assessee for the purposes of this Act.

Rounding off of tax, etc.

44D. The amount of wealth-tax, interest, penalty, fine or any other sum payable, and the amount of refund due, under the provisions of this Act, shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee, and if such part is less than fifty paise, it shall be ignored.".

Amendment of section 46.

66. In section 46 of the Wealth-tax Act, in sub-section (2), after clause (*d*), the following clause shall be inserted, namely:—

"(*dd*) the procedure to be followed in calculating interest payable by assessees or interest payable by the Government to assessees under any provision of this Act, including the rounding off of the period for which such interest is to be calculated in cases where such period includes a fraction of a month, and specifying the circumstances in which and the extent to which petty amounts of interest payable by assessees may be ignored;".

CHAPTER IV

AMENDMENTS TO THE GIFT-TAX ACT, 1958

Amendment of section 23.

18 of 1958.

67. In section 23 of the Gift-tax Act, 1958 (hereinafter referred to as the Gift-tax Act), in sub-section (4), for the words "a fee of rupees one hundred", the words "a fee of one hundred and twenty-five rupees" shall be substituted.

Amendment of section 25.

68. In section 25 of the Gift-tax Act, in sub-section (2), for the words "a fee of rupees one hundred", the words "a fee of one hundred and twenty-five rupees" shall be substituted.

Amendment of section 26.

69. In section 26 of the Gift-tax Act, in sub-section (1), for the words "a fee of rupees one hundred", the words "a fee of one hundred and twenty-five rupees" shall be substituted.

Insertion of new sections 44A and 44B.

70. After section 44 of the Gift-tax Act, the following sections shall be inserted, namely:—

Rounding off of taxable gifts.

"44A. The amount assessed in accordance with the foregoing provisions of this Act as being the value of all taxable gifts shall be rounded off to the nearest multiple of ten rupees and, for this purpose, any part of a rupee consisting of paise shall be ignored and thereafter, if such amount is not a multiple of ten rupees, then, if the last figure in that amount is five or more, the amount shall be increased to the next higher amount which is a multiple of ten and, if the last figure is less than five, the amount shall be reduced to the next lower amount which is a multiple of ten; and the amount so rounded off shall be deemed to be the value of all taxable gifts of the assessee for the purposes of this Act.

Rounding off of tax, etc.

44B. The amount of gift-tax, interest, penalty, fine or any other sum payable, and the amount of refund due, under the provisions of this Act, shall be rounded off to the nearest rupee and, for this purpose, where such amount contains a part of a rupee consisting of paise, then, if such part is fifty paise or more, it shall be increased to one rupee, and if such part is less than fifty paise, it shall be ignored.".

Amendment of section 46.

71. In section 46 of the Gift-tax Act, in sub-section (2), after clause (*e*), the following clause shall be inserted, namely:—

"(*ee*) the procedure to be followed in calculating interest payable by assessees or interest payable by the Government to assessees under any provision of this Act, including the rounding off of the period for which such interest is to be calculated in cases where such period includes a fraction of a month, and specifying the circumstances in which and the extent to which petty amounts of interest payable by assessees may be ignored;".

CHAPTER V

AMENDMENTS TO THE COMPANIES (PROFITS) SURTAX ACT, 1964

Amendment of section 12.

72. In section 12 of the Companies (Profits) Surtax Act, 1964 [hereinafter referred to as the Companies (Profits) Surtax Act], in sub-section (6), for the words "a fee of one hundred rupees", the words "a fee of one hundred and twenty-five rupees" shall be substituted. 7 of 1964.

Amendment of section 14.

73. In section 14 of the Companies (Profits) Surtax Act, for the words and figures "section 154 or section 155", the words and figures "section 154, 155, 250, 254, 260, 262, 263 or 264" shall be substituted.

74. In section 25 of the Companies (Profits) Surtax Act, in sub-section (2), after clause (*d*), the following clause shall be inserted, namely:— Amendment of section 25.

"(*dd*) the procedure to be followed in calculating interest payable by assessees or interest payable by the Government to assessees under this Act, including the rounding off of the period for which such interest is to be calculated in cases where such period includes a fraction of a month, and specifying the circumstances in which and the extent to which petty amounts of interest payable by assessees may be ignored;".

N. D. P. NAMBOODIRIPAD, Jt. Secy.

ERRATA

In the West Bengal Appropriation (No. 2) Act, 1970 (32 of 1970) as published in the Gazette of India, Extraordinary, Part II, Section 1, dated August 31, 1970, page 397,—

(i) against Vote No. 47 (Miscellaneous—Expenditure on Displaced Persons), in column 3, under "Voted by Parliament", *for* "4,65,02,100" *read* "4,65,02,000";

(ii) against Vote No. 50, in column 3, under "Voted by Parliament", *for* "10,84,38,000" *read* "10,84,39,000".

In the Delhi Shops and Establishments (Amendment) Act, 1970 (33 of 1970) as published in the Gazette of India, Extraordinary, Part II, Section 1, dated August 31, 1970,—

Page 389,—

(i) in the long title, *for* "Establishment" *read* "Establishments";

(ii) in the marginal heading to section 1, *read* "Short title.".

Page 390,—in section 6, clause (a), lines 2 and 3, *for* "of act on this" *read* "to act on his".

Page 391,—in line 2, *for* "shal lbe" *read* "shall be".

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